

SPEECH

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37TH NATIONAL CONFERENCE OF EMPLOYERS

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[GREETINGS]

I would like to commend the Employers' Confederation of the Philippines led by its chairperson Edgardo Lacson, its President Donald Dee, and Organizing Committee Chairperson Federico Marquez Jr., for successfully convening this 37th National Conference of Employers with the theme, "Shaping the Future of Work and Business." I am honored to be here today, because ECOP is an active social partner of the Department of Labor and Employment (DOLE).

President Duterte ran under a platform of curbing criminality, the drug menace, and corruption in government. He also vowed to transform the bureaucracy into an honest, efficient, effective, transparent, and accessible institution that is subservient to the sovereign people. The desired outcome of this platform is simple: to bring our country closer to the overall vision of achieving lasting peace, inclusive development, prosperity, and social justice for all Filipino women and men whoever they are – Muslims, Christians, and all other denominations alike; and wherever they are – in Mindanao, Visayas, or Luzon, here or abroad.

DOLE will do its share to help achieve this overall vision for our workers and their families, as well as for employers. And our basic mandate as an institution is very clear: 1) To promote employment and human resource development; 2) To ensure workers' protection and welfare; and 3) To promote a sound, stable, and dynamic industrial peace as a shared responsibility of our social partners.

Today allow me to share with you what I would call an initial eight-point policy agenda. Some aspects of it are yet in broadstrokes, or a work in progress while some require specific and immediate action. Your inputs and ideas will certainly be welcomed.

The ***first item in this agenda*** is to continuously enhance and transform DOLE into an efficient, responsive, purposeful, and accountable institution. We will start with keeping our house in order, and positioning it to meet present and future challenges.

To jump-start the review process, I have directed all agencies to identify and submit the transactions and processes under each of the programs they are currently implementing, and to indicate the process cycle times and accountable officers involved in completing these transactions. As our President has committed, we will ensure that to the fullest extent possible, all transactions shall be completed or acted upon within 72 hours.

In this regard, we will make sure that existing help desks or public assistance desks as well as quick reaction teams in all offices are capable to be our first line of action in implementing the 72-hour transaction cycle, in responding to complaints involving violation of laws and corruption in all agencies and, most importantly, that they are inter-connected with each other and with the newly-established call center lines of the Office of the President.

Performance audit of all agencies and officials shall be part of the review. I take note that there are DOLE agencies and officials who are frequently the target of criticisms and outright accusations of arrogant conduct, abuse of authority, and corruption. The criticisms may be inevitable because of the nature of these positions. The officials concerned should have no fear if they are in the right; they will be afforded due process and will be promptly made answerable if otherwise.

The ***second item in our agenda*** is to address the persistent problems of unemployment and underemployment. We know the causes: inadequate employment opportunities, mismatches between skills and jobs, and limited access to labor market information. While the private sector, like members of ECOP, is primarily responsible for generating employment, our mandate is to help increase the capacity of the economy to produce goods and services with an adequate and steady supply and movement of skilled and trained human resources.

To this end, more responsive and accessible human resource development programs and employment services are needed. Our publics, particularly the business sector, demand that we prepare Filipinos to be readily employable; that we support the skills requirements of the economy; and that we reduce the time and costs of workers and employers in looking for the right job for the right people. These are the measures by which the success of our human resources development programs will be tested.

A matter that requires immediate action is the newly-signed Republic Act No. 108691, which institutionalizes the JobStart Philippines Program. The law is intended to help address a major issue—youth unemployment—particularly how to facilitate school-to-work transitions. It is a product of the 15th Congress, of which I was a part. Now it is my duty to ensure its effective execution and implementation. Once the implementing rules of the law are issued, we will sit down with employers to ensure that the appropriate instruments of cooperation are in place to successfully realize the objective of the law.

The ***third item in our agenda*** is to ensure full respect of labor standards and the fundamental principles and rights at work. We are DOLE because we are bound to protect and respect all rights at work as a precondition for promoting decent work. We expect employers to do the same, ideally in a voluntary manner.

But even as we advocate for voluntary compliance, inspection will remain to be our main program in enforcing these rights, with compliance as its outcome. Thus, our policy will be to strictly enforce and never to compromise or undermine standards and rights.

The most cherished labor right among our workers is security of tenure. Enjoyment of this right is now seen to be deeply eroded by the phenomenon we call “contractualization,” or the use of short term contracts instead of regular employment contracts even for work that are necessary and desirable to the business of the employer for the purpose of circumventing security of tenure and other labor standards. As President Duterte has committed, we have to put a stop to this pernicious practice.

In this regard, DOLE is committed to strictly and equitably implement the law on security of tenure, and will use the full extent of its regulatory and enforcement power to stop or prevent practices that circumvent it, especially practices like labor-only contracting. For this purpose, DOLE will be holding an immediate review of the law and rules and regulations on contracting and subcontracting, as well as related laws on security of tenure and related regulations on labor compliance, with the objective of crafting a set of rules and regulations that are more holistic in orientation and at the same time more easily implementable and enforceable. As this is an issue of major significance, and in the spirit of tripartism and social partnership, I expect the very top leadership of ECOP to meaningfully participate in this review process.

I now go to the ***fourth item in the agenda***, which is to continuously strengthen protection and security of our overseas Filipino workers.

Overseas employment has always been a complex issue. Originally designed as a stop-gap measure in 1974, we have seen it become a repetitious and continuous cycle. We acknowledge the sacrifices of our fellow Filipinos who work in foreign lands and their contributions to the country's economy. Yet, overseas employment also spawns social problems and other problems that we must continuously confront.

The ultimate policy goal of President Duterte is to create an environment that will generate enough decent and adequately remunerated work for every Filipino here in our own country so that no one will have to seek overseas work as a matter of compulsion or necessity.

In the meantime, as long as there are Filipino workers overseas, it is our responsibility to protect them. That is why we will prioritize the adoption of measures and mechanisms to protect and promote the welfare and interest of overseas Filipino workers at every stage of the migration cycle—from recruitment to deployment to re-integration. On the recruitment side, we will re-invigorate the inter-agency task force on illegal recruitment, particularly to investigate and prosecute erring recruitment agencies which will include summary closures. On-site, we will strengthen and expand, as necessary, our capacity to deliver services through our Philippine Labor Offices, working closely with their counterpart consular offices. I also want to see

realistic and implementable re-integration programs and other forms of assistance for overseas Filipino workers and their families.

The ***fifth item in our agenda*** is to bring more focus and accessibility in workers' protection and welfare programs.

In so far as DOLE's partnership with ECOP is concerned, our main involvement in social protection has to do with programs premised on the existence of employee-employer relationships. The conventional mechanisms are social security, health, employees' compensation, and housing. We should therefore focus on these areas by seeking to address the problems of access to programs, adequacy of benefits, source of funding, and sustainability of the social insurance systems. Moving beyond the short-term, we should be actively engaged in the policy processes involving emerging issues like unemployment insurance and the establishment of a social protection floor.

The ***sixth item in our agenda*** is to achieve a sound, dynamic, and stable industrial peace with free and democratic participation of workers and employers in policy and decision-making processes affecting them.

Toward this end, we will ensure an active, functional, and mutually beneficial social partnership between workers and employers, develop means to enhance collective bargaining and other forms of labor-management participation within and outside enterprises, and reconstitute tripartite bodies and other mechanisms for tripartism and social dialogue. I also envision the expansion of representation in tripartite bodies.

The ***seventh item in our agenda*** is to have a labor dispute resolution system that ensures just, simplified, and expeditious resolution of all labor disputes.

The constitutional policy on labor dispute resolution is shared responsibility and consensual modes of settlement. In reality, however, parties to a labor controversy tend to strongly rely on third party intervention, particularly compulsory arbitration, to resolve their issues.

Our main problem in dispute resolution is efficiency. Cases take a long time to resolve to the detriment of both workers and employers. While this may be due to sheer volume of cases, also a major reason is the litigious, legalistic, and adversarial process in labor dispute resolution.

On this point, I have directed all labor dispute resolution and settlement agencies to submit their respective plans of action in reducing and eventually eliminating case backlogs. I will also be calling for a review of the various rules of procedure to see if there is a way of simplifying the procedures, including the adoption of summary procedures for certain cases. In the longer term, we need to work on the dispute resolution system itself by rationalizing the stages of dispute resolution, particularly in the appellate and judicial stages.

And finally, ***the eighth item in our agenda*** is to have responsive, enabling, and equitable labor policies, laws, and regulations. In his inaugural address, President Duterte quoted from President Abraham Lincoln: “You cannot strengthen the weak by weakening the strong; you cannot help the poor by discouraging the rich; you cannot help the wage earner by pulling down the wage payer; you cannot further the brotherhood by inciting class hatred among men.”

I think this passage neatly sums up our role as an institution. It goes beyond simply enforcing labor laws in a way that the rights of one party cancels out the rights of the other. Rather, we should be guided by three principles. First, we should always stand for balance in employee-employer relationships. Second, we should always support the creation of decent work opportunities, knowing fully well that to make rights at work effective in law and in practice, there must first of all be decent work. And third, to make the first two principles realizable, we have to recognize and nurture the right of workers to participate in policy and decision making processes directly affecting them and of employers to reasonable returns on investments and to expansion and growth. With these principles in mind, we should be ready to discharge our functions as an enabler for work creation and protector of workers’ rights.

In closing, I am aware that with DOLE and other stakeholders, ECOP has been actively engaged in an ongoing global and national discussion on the future of work. I am

convinced that the only future of work worth aspiring for is sustainable and decent work. It is on this conviction and in the spirit of tripartism, social partnership, and social dialogue that DOLE will continue to constructively engage ECOP in the days to come.

Thank you.

Mabuhay ang ECOP!